

July 24, 1998

**CRITERIA FOR JWOD HARDWARE DISTRIBUTORS**  
**GSA SIN 105-002-ENCLOSURE 1**

1. Distributor must demonstrate that it has catalog distribution capabilities and is in contention for a **GSA SIN-002** contract to provide supplies for Government use. Distributor agrees to inform the Committee of all current and future Federal contracts.
2. Distributor must abide by the JWOD exclusivity principle, i.e., not to sell any non-JWOD products to Federal customers if those products are identical to or “essentially the same” as JWOD products. Distributor must agree to accept Committee definitions and guidance on what is “essentially the same” as a JWOD product, which will be provided.
3. Because the Committee is responsible for determining that fair market prices are paid by Government customers for JWOD items, the Distributor must agree to charge prices that are acceptable to the Committee. Distributor will provide to the Committee, upon request, their mark-ups by product category for review. In general, it is assumed that the contracting activity has negotiated fair and reasonable prices.
4. Distributor must agree to publish for their Federal customers **information on available** JWOD items identified by the Committee. This publication should be comparable in quality to the tools the distributor normally uses (i.e., print or electronic catalog). Catalogs must clearly identify all JWOD products offered and may not include items that are identical to or “essentially the same” as JWOD products. Catalogs must integrate JWOD items into the publication, meaning they appear on the same page as non-JWOD items of the same type.
5. Distributor must agree to work independently and with the JWOD Program staff to market JWOD items to their Federal Government customers. Also, Distributor will provide sales data on JWOD products upon request, to facilitate future marketing.
6. Distributor must establish a system to ensure delivery of all advertised JWOD products within the terms of **its** contract (i.e., stocking the products in **distributor’s** warehouse, use of a wholesaler, etc.) The distributor should address how demand for items that are out-of-stock would be captured.
7. Distributor must accept minimum order requirements approved by the Committee for each product, accept terms that give nonprofit agencies 30 days after receipt of order to ship; and make invoice payment to nonprofit agencies or their authorized agent(s) within 30 days after the date the invoice is received by the distributor. Late payments may be assessed interest at the same rate as that prescribed by the Prompt Payment Act.
8. Some JWOD nonprofit agencies are bound by product licenses which allow their products to be sold only to the Government, and others may have limited capacity to supply non-Federal sources. Accordingly, before non-Federal sales can be made, a Distributor must obtain permission and pricing guidance from NIB or NISH beforehand.

## Criteria for JWOD Hardware Distributors — GSA SIN-002

9. Distributor agrees authorization will take place in three steps:
  - 1) Preliminary authorization is granted when the Distributor agrees to comply with the criteria, and completes and signs an application to become a JWOD distributor.
  - 2) Authorization to order is granted when the Distributor has
    - (a) **Received a GSA SIN-002 contract.**
    - (b) An order blocking system:  
The Distributor must explain in the application referenced above how their system identifies Federal customers, how they identify the commercial items that cannot be sold to these customers, how they know which JWOD items to substitute, whether this system is manual or automated, how the order takers are trained to use it, and how frequently retraining is performed.
    - (c) A Committee-approved publication.
  - 3) Authorization to notify customers that JWOD products are available is granted to a Distributor upon receipt of a letter from Committee that they have completed step two. Distributor agrees not to notify customers they have JWOD items until this final authorization is complete.
10. Distributors' performance as a JWOD distributor will be reviewed periodically.
11. The Committee, if necessary, will review and revise these criteria. Current JWOD distributors will be given 30 days' notice before any changes go into effect.